



Winston H. Hickox  
Secretary for  
Environmental  
Protection

## State Water Resources Control Board

### Division of Financial Assistance

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Gray Davis  
Governor

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption.  
For a list of simple ways you can reduce demand and cut your energy costs, see our website at [www.swrcb.ca.gov](http://www.swrcb.ca.gov).*

April 14, 2003

Dear Water Recycling Stakeholders:

These are exciting times. In November 2002, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (2002 Bond Law or Proposition 50) was passed by the voters. Section 79550 (g) of the 2002 Bond Law allocates grant funds for local water recycling projects. The State Water Resources Control Board's (SWRCB's) Office of Water Recycling will be appropriating these funds to local agencies with the passage of the Governor's State Budget in mid 2003. The actual amount of funding currently remains to be determined by the Legislature.

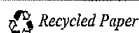
In preparing to administer these new grant funds, and to continue serving our local agencies with low-interest construction loans and facilities planning grants, our office is establishing a new Office of Water Recycling Funding Priority List. The purpose of the new Priority List is to prioritize the funding needs for proposed water recycling projects and to document the statewide funds needed in future funding initiatives to achieve the State's water recycling needs. Upon adoption by the SWRCB, the Office of Water Recycling will use the new Priority List as the basis for funding of projects from all existing and future water recycling local assistance monies appropriated to the SWRCB.

The first steps in establishing the new Priority List include the solicitation of proposed water recycling project information from local and regional agencies statewide. Therefore, we are requesting public agencies interested in future water recycling funding to fill out the attached questionnaire (Enclosure 1). Please submit one questionnaire per proposed planning and/or construction project. (An electronic version of the questionnaire can be obtained from the SWRCB website at [www.swrcb.ca.gov](http://www.swrcb.ca.gov).) Completed questionnaires must be returned to the Office of Water Recycling by May 30, 2003.

In a public workshop held on December 20, 2002, water recycling stakeholders revisited the funding criteria established for previous funding programs. General agreement was reached amongst the stakeholders to maintain previously established funding criteria, as shown below, for proposed projects ready to proceed into design and construction:

- 25 percent construction grant funding for proposed water recycling facilities, and
- Up to 100 percent construction loan funding for proposed water recycling facilities (interest rate equal to approximately 2.5 percent)

*California Environmental Protection Agency*



For local agencies seeking to determine if water recycling is feasible for their community, our Water Recycling Feasibility Study Grant Program offers a planning grant of up to \$75,000 for proposed water recycling feasibility studies.

To assist in the prioritization and funding criteria decision-making for proposed projects, the Office of Water Recycling will be hosting a public water recycling stakeholder workshop in August 2003. Office staff will finalize the new Priority List for presentation to the SWRCB in October 2003.

If you have any questions regarding our Priority List establishment efforts, please call Ms. Connie Ford at (916) 341-5677.

Please note that submittal of the attached questionnaire is not a funding request. Enclosure 2 of this letter illustrates our funding application process. For assistance in submitting a funding application, please contact me directly at (916) 341-5513.

Sincerely,



Diana Robles, P.E., Chief  
Office of Water Recycling

Enclosures

***California Environmental Protection Agency***

